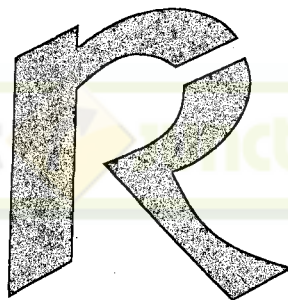


RAJDARSHAN INDUSTRIES LIMITED



TWENTY SIXTH
ANNUAL REPORT
(2006-2007)

RAJDARSHAN INDUSTRIES LIMITED**BOARD OF DIRECTORS**

MR. ASHOK DOSHI

MR. DEVENDRA SHARMA

MR. B.S.DEOPURA

DR. M.L. TIWARI

MR. RAVINDER PURI

Dr. SUDHIR DOSHI

BANKERS

State Bank of India

The Udaipur Urban Co-Operative Bank Ltd.

AUDITORS

M/s Punjawat, Pokharna & Hiran

Chartered Accountants

Udaipur (Raj.) 313 001

SHARE TRANSFER AGENTS & DEPOSITORY REGISTRAR

M/s Ankit Consultancy Pvt. Ltd.

2nd Floor, Alankar Point

Gita Bhawan Chouraha

A.B. Road

Indore (M.P.) 452001

Phone : 0731-2491298

Fax : 091-731-4065798

REGISTERED OFFICE

59, Moti Magri Scheme

Udaipur (Raj.) 313 004

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RAJDARSHAN INDUSTRIES LIMITED

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Company will be held at the Registered Office of the Company, 59, Moti Magri Scheme, Udaipur 313 001, Rajasthan on Saturday the 29th day of September 2007, at 4:00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2007, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Doshi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s Punjawat, Pokharna & Hiran, Chartered Accountants, Udaipur, as Statutory Auditors of the Company, on such remuneration as may be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Dr. Sudhir Doshi, who was appointed as an Additional Director of the Company and who holds office till the date of this Annual General Meeting, pursuant to section 260 of the Companies Act, 1956, and in respect of whom the company has received a notice from a member under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By order of the Board
For Rajdarshan Industries Limited,

Place: Udaipur
 9th August, 2007

Devendra Sharma
Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY OR PROXIES SO APPOINTED NEED NOT BE A MEMBER OR MEMBERS AS THE CASE MAY BE OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY AND THE POWER OF ATTORNEY OR OTHER AUTHORITY, IF ANY, UNDER WHICH IT IS SIGNED OR A NOTARIAL CERTIFIED COPY OF THAT POWER OR AUTHORITY SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.
2. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Special Business as given in the notice annexed hereto.
3. The Register of Members and the Share transfer books of the Company will remain closed from 22nd September 2007 to 29th September 2007 (both days inclusive) for the purposes of Annual General Meeting.
4. The Register of Directors' Shareholdings, maintained under Section 307 of the Companies Act, 1956, will be available for inspection by the members at the Annual General Meeting.
5. Members holding more than one share certificate in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to the Company for consolidating their holdings in one folio. The Share Certificates will be returned to the Members after making requisite changes thereon.

RAJDARSHAN INDUSTRIES LIMITED

- 6 Members holding shares in dematerialized mode are requested to intimate all changes with respect to their bank details, mandate etc. to their respective Depository Participant (DP). These changes will automatically reflected in Company's records and those who holds shares in physical form should intimate their bank details and change of address, if any, etc. to the Company's Registrar and Share Transfer agent M/s Ankit Consultancy Pvt. Limited, 2nd Floor, Alankar Point, 4A Rajgarh Kothi, Gita Bhawan Square, Indore – 452 001 (M.P)
- 7 Members are requested to bring their copies of Annual Report to the meeting.
- 8 To avail the facility of nomination, members are requested to submit to the Company the nomination form, which may be supplied on request. In case of shares held in de-mat form, the nomination has to be lodged with Depository Participants (DPs).
- 9 Members / Bodies Corporate/ Proxies should bring the attendance slip duly filled in for attending the meeting.
- 10 A member desirous of getting any information on the accounts or operations of the Company, is requested to forward his / her queries to the Company at least five working days prior to the meeting, so that the required information will be made available at the meeting.
- 11 Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of directors seeking appointment/re-appointment at the Annual General Meeting, is separately annexed hereto.

Annexure to the Notice**Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956.****Item No. 4.**

In terms of section 260 of the Companies Act, 1956, the Board of Directors at its meeting held on 30th April, 2007, appointed Dr. Sudhir Doshi, as an Additional Director of the Company to hold office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member intending to propose his name as Director of the Company liable to retire by rotation, as required under section 257 of the Companies Act, 1956; along with the requisite deposit.

Dr. Sudhir Doshi, has vast experience in processing and mining business of Marbles and Granites, the Board of Directors considered that it would be beneficial to appoint him as director of the Company

Accordingly, your Directors recommend the resolution as set out in Item No.4 of the convening Notice for your approval by way of passing Ordinary Resolution.

Dr. Sudhir Doshi, the appointee and Mr. Ashok Doshi, being elder brother of Dr. Sudhir Doshi, may deemed to be interested or concerned in the resolution, except them, none of the other directors of the Company is in any way interested or concerned in the aforesaid resolutions.

A detailed profile of Dr. Sudhir Doshi, is provided in the annexure attached herewith.

By order of the Board

For Rajdarshan Industries Limited.,

Place: Udaipur
9th August, 2007

Devendra Sharma
Director



RAJDARSHAN INDUSTRIES LIMITED

Annexure to the Notice

Additional information in respect of Directors seeking appointment/re-appointment at the Annual General Meeting.

Name	Mr. Ashok Doshi
Date of Birth	21 st May, 1950
Qualification	B.Sc.
Expertise	Mr. Ashok Doshi has vast experience in the field of marketing and management besides experience in mining. During his tenure the Company has witnessed significant growth.
Directorship held in other Companies.	Madhav Marbles & Granites Ltd. Hotel Rajdarshan Pvt. Ltd. Lark Finance & Investment Pvt. Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Shareholders/Investors Grievances committee - Chairman.
Chairman/Member of the Committee of the Board of Directors of other Companies	-
Shareholding in the Company	689923
Name	Dr. Sudhir Doshi
Date of Birth	22 nd December, 1952.
Qualification	M.B.B.S.
Expertise	Dr. Sudhir Doshi has vast experience in Management and Corporate Affairs besides expertise in processing and mining business of Marbles and Granites.
Directorship held in other Companies.	Mumal Granites Ltd. Madhav Marbles & Granites Limited. Sumal Finance and Investment Pvt. Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	1. Audit Committee - Chairman. 2. Shareholders/Investors Grievances committee - Member.
Chairman/Member of the Committee of the Board of Directors of other Companies	-
Shareholding in the Company	6150

RAJDARSHAN INDUSTRIES LIMITED**DIRECTORS' REPORT TO THE SHAREHOLDERS**

The directors have great pleasure in presenting the 25th annual report and the audited accounts for the year ended 31st March 2007.

2. FINANCIAL HIGHLIGHTS

(Rs. In lakhs)

Details	Year ended 31.03.2007	Year ended 31.03.2006
Turnover and other income	306.40	461.89
Profit before interest and depreciation	146.63	202.17
Interest	16.76	30.07
Profit / (Loss) before depreciation	129.87	172.10
Depreciation	47.44	70.89
Profit / (Loss) before tax	82.43	101.21
Provision for taxation		
- current tax	10.70	12.65
- deferred tax adjustment	(7.79)	(5.47)
- Fringe Benefit Tax	0.63	1.25
Profit / (Loss) after tax	78.89	92.78
Add / (Less) :		
Profit Brought forward from previous year	462.22	369.44
Transfer from general reserve	Nil	Nil
Profit available for appropriation	541.11	462.22
Appropriation:		
Balance carried forward	541.11	462.22

3. DIVIDEND

To order to conserve financial resources, your Directors have not recommended any dividend for the year.

4. YEAR IN RETROSPECT

During the year the Company has achieved a turnover of Rs. 232.38 lakhs as against Rs.418.56 lakhs of previous year. The profit before tax adjustments is Rs. 82.43 lakhs and profit after tax adjustments is Rs. 78.89 lakhs.

5. FINANCE

The Company has taken a loan of Rs. 7.00 lakhs from a financial and leasing company during the year under review for purchase of mining machineries and vehicles.

6. DEPOSITORY SYSTEM

The equity shares of the Company are tradable compulsorily in electronic form and your Company has established connectivity with both the depositories, i.e., the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). This will facilitate the shareholders to hold and trade their shares in "electronic form". As the depository system offers numerous advantages, members are requested to avail the facility of dematerialization of the Company's shares on either of the Depositories.

As on 31st March, 2007, 62.53% of the total paid up equity shares of the Company were held by shareholders in de-mat form.

7. DELISTING OF EQUITY SHARES

The de-listing application filed by the Company, with Delhi and National Stock Exchange was not considered by the respective stock exchanges, in view of the new SEBI (De-listing of Securities) Guidelines, 2003, which is applicable to all the listed companies, notified by SEBI vide circular No.SMD/Policy/Cir-7/2003, dated February 17, 2003.

At present the equity shares of the Company are listed at the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), Jaipur Stock Exchange Limited (JSE) and Delhi Stock Exchange Association Limited (DSE).


8. CORPORATE GOVERNANCE

Pursuant to clause 49 of the listing agreement with the Stock Exchanges, a report on Corporate Governance, along with Auditors' Certificate regarding compliance of conditions of Corporate Governance and Management Discussion and Analysis is separately given in this report.

9. DEPOSITS

The Company has not accepted any deposits within the meaning of section 58 A of the Companies Act, 1956 and the rules made there under.

10. DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr. Ashok Doshi, Director of the Company retire by rotation at the ensuing Annual General Meeting, and being eligible offer himself for re-appointment.

Dr. Sudhir Doshi was appointed as an additional director at the Board Meeting held on 30th April, 2007. Dr. Sudhir Doshi would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Dr. Sudhir Doshi for the office of Director.

Mr. M. L. Tiwari, Director of the Company has resigned from the office of director w.e.f. 30th April, 2007. Your Directors wish to place on record their appreciation for the valuable contribution made by Mr. M. L. Tiwari during his tenure as a Director.

A brief resume of Directors seeking Appointment/ Re-appointment is annexed with the Notice calling this Annual General Meeting.

11. AUDITORS

Messrs Punjawat, Pokharna & Hiran, Chartered Accountants, Udaipur retire in accordance with the provisions of the Companies Act, 1956, at the ensuing annual general meeting and being eligible offer themselves for re-appointment.

12. AUDITORS' REPORT

The Auditors' Report on the Accounts is self-explanatory and no comments are required.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that :

- (a) in the preparation of annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (b) they had selected such accounting policies, consulted the statutory auditors' and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis.

14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The annexed Management Discussion and Analysis forms a part of this Report and covers, amongst the matters, the performance of the Company during the Financial Year under review as well as future prospects.

RAJDARSHAN INDUSTRIES LIMITED**15. PARTICULARS OF EMPLOYEES**

As During the year no employee was getting remuneration beyond the limit fixed for which the particulars are required pursuant to section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

The Company continued to maintain good cordial relations with its workers and employees.

Conservation of Energy and Technology Absorption:

The Company has no particulars to furnish under the above head since it has not carried any manufacturing activities during the year under review.

Foreign Exchange Earnings and Outgo:

Please refer Notes No.17 to 19 to Schedule Q to the Accounts.

16. OTHER MANDATORY REQUIREMENTS

Pursuant to the requirements of the Listing Agreements with the Stock Exchanges and the Accounting Standards in terms of Section 211 (3A) of the Companies Act, 1956 details of Related Party Transactions (AS-18) and Deferred Taxation (AS-22) and impairment of Assets (AS-28) have been incorporated in and / or annexed with these Accounts.

17. INVESTOR EDUCATION AND PROTECTION FUND

No amount is pending due for transfer to Investor Education and Protection Fund.

18. ACKNOWLEDGEMENT

The directors' record their gratitude to the bankers, financial institutions, government departments, for their assistance and co-operation during the year.

The directors' place on record their appreciation of the dedicated services of the workers and employees of the Company.

The directors' also thank the shareholders for their continued faith in the Company.

By order of the Board
For Rajdarshan Industries Limited,

Udaipur
9th August, 2007

Sudhir Doshi Devendra Sharma
Director Director



MANAGEMENT DISCUSSION AND ANALYSIS

The Management of Rajdarshan Industries Limited presents the analysis of performance of the Company for the year 2006–2007 and its outlook for the future. This report contains certain forward-looking statements, which are subject to certain future events and uncertainties that could cause actual results to differ materially.

Your Company operates its machineries in mining, and transportation of raw materials to various Cement Units in Rajasthan through contract execution. The profitability and growth of your Company mainly depends upon new projects and growth of Cement Units.

The performance of the mining division of the Company in terms of the turnover had decreased from Rs. 418.56 lakhs to Rs. 232.38 lakhs during the year 2006 – 2007.

Finance charges are decreased by 42.26 %, mainly due to regular payments of term loan to financial and other institutions.

The net block of fixed assets decreased to Rs.255.55 lakhs as at 31st March 2007 from Rs. 359.82 lakhs as at 31st March 2006, Depreciation charges are only Rs. 47.44 lakhs as against Rs.70.89 lakhs in the last year.

The Company has provided for deferred tax liabilities of Rs.4.42 lakhs as per the Accounting Standard (AS) 22, for details kindly refer notes to the accounts no.12.

The Net Profits during the year before tax adjustments is Rs.82.43 lakhs as against Rs.101.21 lakhs reported during 2005 – 2006.

The Earning Per Share was at Rs.2.53 during 2006 – 2007 as against Rs.2.99 during 2005– 2006.

Outlook

The Company's main approach will be to utilize all its resources, with improved and more effective management practices to execute its contracts.

The Company is also focusing its attention on trading division to sustain profitability.

The Company's long-term objective is to successfully execute its contracts with Cement Units to further its growth.

Contingent Liabilities

Details of contingent liabilities are given in Schedule Q : Notes Forming Part of the Account - para 3.

Internal Control Systems

The Company is following a proper and adequate system of internal controls in respect of all its activities including safeguarding and protecting its assets against loss from unauthorized use or disposition. Further all transactions entered into by the Company are duly authorized, recorded and reported correctly.

An extensive program of audit, reviews by Management and established policies, guidelines and procedures, supplements the internal control system. The system are designed to ensure that the financial and other records are reliable for preparing financial statements and other date and for maintaining accountability of assets.

Human Resources

During the year, labour / employees relations continued to be cordial.

Conclusion

The Company could not achieve better performance than previous year, during current financial year. However, it is striving hard to improve upon all aspects to post a good performance, and also confident of delivering improved value for the shareholders in the years to follow.

RAJDARSHAN INDUSTRIES LIMITED**REPORT ON CORPORATE GOVERNANCE****Company's Philosophy on Corporate Governance**

Company's philosophy on corporate governance envisages the attainment of high level of transparency and accountability, in the functioning of the Company and the conduct of its business internally and externally, including its interaction with employees, workers, shareholders, creditors, contractors, customers, institutional and other term lenders and places due emphasis on regulatory compliance.

Board of Directors

The present strength of the Board of Directors is five. Mr. M. L. Tiwari, Mr. Devendra Sharma and Mr. Ashok Doshi are Non-executive Promoter Directors. Mr. Ravinder Puri and Mr. B.S.Devpura are Non-executive Independent Director.

The Company does not have any Chairman or Executive Director.

The non-executive / independent directors are accomplished professionals in corporate management, taxation, finance, legal and other academic fields.

None of the directors hold directorships in more than the permissible number of companies under the applicable provisions. Similarly, none of the directors on the board's committees hold membership of more than ten committees of boards, nor is any director a chairman of more than five committees of boards.

Details pertaining to category, attendance record of Directors

Name of the	Category	No. of Board Meetings attended	Attended last AGM on 30.09.06
M L Tiwari	Promoter, Non-executive	4	Yes
Devendra Sharma	Promoter, Non-executive	2	No
Ashok Doshi	Promoter, Non-executive	4	Yes
Ravinder Puri	Non-executive & Independent	3	Yes
Mr. B.S. Devpura	Non-executive & Independent	3	No

Board Meetings

The Board of Directors met Five times during the year with a clearly defined agenda for each meeting. The gap between two board meetings did not exceed four months. The dates on which the Five board meetings were held are as follows:

Date of Board Meeting	Held at	No. of Directors Present
29 th April 2006	Udaipur	03
29 th July 2006	Udaipur	03
29 th August 2006	Udaipur	04
30 th October 2006	Udaipur	03
29 th January 2007	Udaipur	03

Availability of information to the members of the board

Key information is being provided to the Board at regular intervals.

Board annually reviews the Company's performance, operating plans, long-term plans, business initiatives and other related matters.

Audit Committee

The Audit Committee The audit committee has adequate powers and detailed terms of reference to play an effective role as required under the provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreements with the Stock Exchanges.

The members of the Audit Committee are:

Mr M L Tiwari, chairman of the Committee

Mr Ravinder Puri, Member

Mr Devendra Sharma, Member

Mr.B.S.Devpura, Member

The members of the committee are non-executive directors.

Mr. Karan Mal Murdia, Finance Manager and compliance officer is the Secretary of the Committee.